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ARED Newsletter

AGRICULTURE AND RURAL ECONOMICS DIVISION
ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

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Harrington Appointed Deputy Director

DAVID HARRINGTON has been appointed Deputy Director for Agriculture, Agriculture and Rural Economics Division. For the past year Dave has served as Chief of the Farm and Rural Economy Branch. He was previously Chief of the Farm Sector Economics Branch of National Economics Division. He also was employed by Agriculture Canada as an agricultural economist and Director of CANFARM (The Canadian national farm management information system) until that function was turned over to the private sector in 1979. He was formerly with ERS as a field employee stationed at the Univeristy of New Hampshire, Cornell University, and Purdue University from 1964 to 1973.



Harrington has received the ERS Excellence Award for Research, the ERS Administrator's Special Merit Award, three USDA Certificates of Merit, and the AAEA Award for Outstanding Ph.D. Dissertation. His degrees are from Cornell (B.S.), University of New Hampshire (M.S.), and Purdue University (Ph.D.). He spent time farming (dairy and small fruits) in New Hampshire and as an officer in the U.S. Navy prior to his graduate work.

* * *

Rural Sociology Meetings

Nine ARED sociologists participated in the recent meeting of the Rural Sociological Society (RSS) in Salt Lake City, Utah. One of the highlights of the meeting was a panel on rural and policy agricultural initiatives of the Joint Economic Committee. **Len Bloomquist, Molly Killian, David McGranahan, Shelly Pendleton, and Leslie Whitener** were the major paper presenters in a session entitled "Rural Labor Market Issues and Data," organized by Shelley Pendleton. **Robert Munoz**, of the Farm and Family Income Section, presented a paper on poverty status of farm families in a session on "Family Financial Problems," presided by **Peggy Ross**. **Calvin Beale** gave his popular slide presentation of the county courthouses--"Every County Has A Seat: An Expose--Courthouse Architecture in Rural Places."

Other ERS participants included **Nina Glasgow**, who served as organizer and moderator for a session dealing with lifestyles of the rural elderly, and **David Brown**, ARED's Associate Director. **Peggy Ross** also served as newly elected representative to the RSS Council and Chair of the Endowments Committee, charged with building the new RSS endowments fund.

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Black Caucus Focuses on Agriculture

Vera Banks, Robert Hoppe, and Herman Bluestone addressed the Congressional Black Caucus Workshop on Blacks in Agriculture. The workshop, held in October in the Rayburn House Office Building, was part of the Annual Black Caucus Legislative Weekend which is attended by legislators and constituents from all parts of the nation. The three researchers presented findings from two recently completed ERS studies on black farmers. Vera provided information on black farmers and their farms, Bob talked about the social and economic environment of black farmers, and Herman summarized the policy implications of the research.

Vera traced the historical developments that have caused the number of black farmers to decline more rapidly than white farmers. She indicated that substantial further decline in black farm numbers is likely because few young blacks are entering agriculture to replace the large number of older blacks leaving the sector. And, she pointed out that black tobacco farmers with annual sales of more than \$20,000 are a group who are importantly affected by traditional farm programs.

Bob emphasized that black farmers were concentrated in southern areas with social and economic problems. He noted that because these areas have not fully participated in the nation's economic growth and development, many limited-resource black farm families find it difficult to adequately supplement farm income earnings from nonfarm jobs. He also noted that socioeconomic conditions of blacks varied considerably by subregions of the south, being extremely bad in the delta where over half of all blacks lived in poverty in 1980.

Herman stated that because small farmers depend on nonfarm jobs for most of their income, off-farm work by blacks might do more to enable them to continue farming than any expansion in traditional farm programs. Thus, rural development programs designed to increase job opportunities in slow-growing areas of the rural south could contribute to the continued survival of black farmers. He also noted that from the perspective of public policy, black farmers might be usefully divided into three groups with distinctly different sets of needs: (1) the elderly or those approaching retirement age, (2) younger blacks actively engaged in agriculture, and (3) young people considering farming as a career.

Herman also presented this information to USDA's Small Resources Development Working Group in October.

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Reference Center Move

The ERS Reference Center, which has been a part of ARED since last October, was transferred to the Office of the Administrator on October 1.

The Reference Center provides agency-wide services, and given that, it fits more appropriately in the Office of the Administrator. The Reference Center

has a critical role to play in ERS, because of the agency's research analysis responsibilities.

Vicki Smith, Assistant to the Administrator, will be responsible for the Reference Center and for heading an agency committee charged with assessing ERS needs in this area and how they can be filled within budget and staffing constraints.

* * *

Rural Development Perspectives

Sara Mazie, Executive Editor, is pleased to announce that Greg Gajewski will receive the award for the best feature article in Volume II of Rural Development Perspectives. His article, "Rural Bank Failures Not a Big Problem--So Far," appeared in the June issue.

The RDP Executive Board annually selects the best article by an Economic Research Service author. Greg Gajewski is a financial economist, with the Finance and Tax Branch of ARED. With this recognition, he will receive a certificate and cash award.

In his article, Gajewski pointed out that "important institutional changes largely insulate today's rural economy from devastating effects of commercial bank failures...A failed bank no longer means the financial ruin of thousands of depositors and subsequent declines in economic activity. Rather, the main issues now focus on the degree of local control in the bank acquiring the failed bank, banking service availability in rural areas, and credit availability for marginally qualified rural borrowers."

Congratulations!

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Looking at Rural America

The videotape "Changing Rural America: The Needs, the Challenge," produced by ARED and the Extension Service, continues to be in demand for briefing administrators and audiences at conferences about current economic and social conditions in rural areas. The tape gives a realistic view of the prospects for rural America, emphasizing that macroeconomic policies aren't going to pull out the rural economy and that policies tailored to the individual circumstances of rural places are needed. The tape will be shown at the Rural Development Session of the Agricultural Outlook Conference, December 3. Copies are available for loan from Norman Reid (786-1542) or Bob Lovan in the Extension Service (447-7947). Copies may also be purchased for \$25 (checks payable to ERS; no purchase orders); contact Norman Reid for information.

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Farm Income and Well-Being

Mary Ahearn (Economic Indicators Branch, National Economics Division) completed a report "Financial Well-Being of Farm Operators and Their Households." This report measures the size distribution of personal income using 1984 data from a

nationwide survey of 13,000 farm operator households, compares the distribution to past data, measures the contribution of various sources of household income to total income and to income inequality, classifies farm operator households by major occupation and low income status, and compares the income and wealth of farm operator households to the U.S. population.

The size distribution of personal income is an important addition to the traditional agricultural sector statistics because of the very uneven distribution of farm income among households and, as this report shows, even among households within the same farm size category. Almost a sixth of farm operator households had negative total incomes (including off-farm sources) and a ninth had total incomes of more than \$60,000.

Other significant findings of the report are:

- o Since 1974, only the largest farms (sales over \$100,000) and the very smallest (sales under \$2,500) have increased as a percent of total farms;
- o On an average, 61 percent of the total household income came from off-farm sources;
- o Farm households have a higher proportion of both the lowest and highest income groups than do nonfarm households;
- o About 65 percent of operators identified farming as a major occupation;
- o And, farm households tend to have greater wealth at every income level than do nonfarm households.

Mary Ahearn worked for Economic Development Division, the predecessor agency of ARED, from 1978-83.

* * *

Brown Testifies Before Joint Economic Committee

David Brown testified before the Joint Economic Committee on September 18, 1986. The hearing was cosponsored by the Population Resource Center in collaboration with the Population Reference Bureau and the Population Association of America. Other witnesses included John Karsda of the University of North Carolina ("Contemporary U.S. Migration and Urban Demographic - Job Opportunity Mismatches) and Richard Engles of the U.S. Bureau of the Census ("America on the Move: Current Trends").

David's testimony, entitled "Demographic and Economic Trends in Rural America," reviewed post-1980 trends in nonmetro population growth and migration, delayed recovery from the recession of the early 1980's, changing composition of rural poverty, industrial restructuring of the rural economy, and farm financial stress -- on the farm and past the farm gate.

David concluded that if rural revitalization, symbolized by the nonmetro population turnaround, was the theme for rural America in the 1970's; economic stress is the overriding nonmetro issue of the 1980's.

Carlin Named Branch Chief

Thomas (Tom) Carlin is the new Chief, Farm and Rural Economy Branch, Agriculture and Rural Economics Division.



Since October 1985, Carlin has been Head, Farm Family Income Section, FRE Branch. Between 1974 and 1985, he was Head of the Income Studies Section, Human Resources Branch, in the former Economic Development Division. Prior to that, Carlin held project leader and researcher positions in the National Economic Analysis Division, a predecessor division to National Economics Division. Carlin joined ERS in 1971.

Carlin has both supervised and published research on a wide range of issues in agriculture and rural development. His reports cover such topics as the distribution of farm and rural household income, rural poverty, distributive impacts of rural employment growth, effects of alternative negative income tax proposals on rural places and people, role of small farms in U.S. agriculture, effects of federal income tax provisions on farmers, and farm sector economic accounts. He currently serves on the USDA's State Food Stamp Appeals Board and has served on numerous other task forces and committees while in ERS.

Carlin has a Ph.D. in agricultural economics from The Pennsylvania State University and M.S. and B.S. degrees in agricultural economics from the University of Georgia.

Congratulations, Tom!

* * *

FARM AND RURAL ECONOMY BRANCH

View from the Branch
by David Harrington

Since this is my last time at writing a view from the Branch, I want to thank all members of the Branch for their continued loyalty and productivity. The Branch has compiled an enviable record of accomplishments over the past year. Over 40 planned articles and publications were completed including 3 unanticipated journal articles. Over 20 major pieces of staff work were done. In addition, 12 invited addresses and papers were written and presented. With joint authorship on many of these products, that's an average of over 6 listed publications and staff analyses per professional employee. Thanks for doing a good job!

The Branch is also positioning itself for the future. With the major financial and structural upheavals occurring in the farm economy--declining land values, farm financial stress, radically altered expectations for the future, and major rethinking of farm and rural policy--the Branch's programs of research are pivotal. The central issues for the future, in their most general terms, are not so much "How are things?" but rather "How are things changing?" The Branch, Division, and Agency have done very well at describing "How are things?" up until now. We have described and interpreted farm financial conditions, the economic well-being of farm families, farm structure, agriculture-community linkages, and farm labor and labor markets. The consistent message of most of these analyses was that there is great diversity and heterogeneity among all of these items--by regions, type, size, and financial position of farm and age of operator. Two new types of information are necessary to put this diversity and heterogeneity into perspective:

- o How is the situation changing over time? Is it (whatever "it" is) very different from previous experience? Is it changing rapidly or not at all?
- o How are individual units changing? Do they follow the aggregate changes, or do they exhibit their own patterns?

The first can be answered by comparing aggregate data and distributions for different periods of time. The latter requires longitudinal data--where an individual unit was, where it is now, and where it seems to be going in the future. The work of several sections in the Branch have oriented toward just such change information.

The Farm Structure Section is starting a major project on explaining, modelling, and forecasting structural change in the farm sector. This research will examine the linkages between economic and policy scenarios and the resulting structural change in the farm sector. The projection model will be the first in the profession to systematically incorporate both historical changes and future economic and policy scenarios in a comprehensive national projection system.

Since on-the-ground knowledge of changes occurring in the farm sector are so important now, the Farm Family Income Section is continuing its efforts to secure longitudinal data on farm families in three pilot regions--Wisconsin, Ohio, and North Dakota. The Wisconsin information will be a resurvey of farm families that were surveyed in 1982, just before the financial crisis hit. In Ohio, new work will be started to form a state-wide longitudinal sample of farm families; and in North Dakota the research will support analysis and continuation of a longitudinal survey of farm households that has been going on for two years.

In the Agriculture-Community Linkages Section, research will continue to examine the spill-over effects of farm financial difficulties on non-metropolitan counties of different degrees of dependence on agriculture. The dependence of an area's agriculture upon export crops (corn, wheat, soybeans, cotton, and rice) has been identified as an important explanatory variable of recent changes in land prices and proportions of farms with financial stress.

AGRICULTURE AND COMMUNITY LINKAGES SECTION

Economic Performance "Down South"

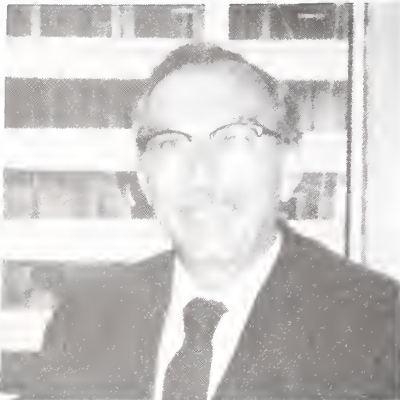
Fred Hines presented a paper "The State of the Rural Economy of the South" at a meeting of the Agriculture and Rural Development Committee of the Southern Legislation Conference in Fort Worth, Texas on July 12.

Hines pointed out that the economic forces of the 1980's have resulted in poor economic performance for many areas of the rural south. Relative to the U.S. economy, the nonmetro south has slipped from its strong position of the 1970's. This slippage is due to problems in the basic industries of low-wage manufacturing, farming, and energy as well as other manufacturing and service industries linked directly to the farm and energy sectors such as chemical and fertilizer. These "problem" industries play a disproportionately large role in the economic base of the rural south. In 1985, the unemployment rate for the nonmetro south was almost 2 percentage points above the U.S. unemployment rate.

Currently, the rural south's economy continues to be under pressures from international competition in many manufacturing industries, the energy sector crisis, and the U.S. farm crisis of the 1980's.

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Bernal Returns to Arkansas



Bernal L. Green has accepted a three-year field assignment effective September 28, 1986. He will be stationed at the Department of Agricultural Economics, University of Arkansas-Fayetteville. While there, Bernal will join others doing research on effects of the farm and energy crises on regional economies. Bernal and his wife Jeanie have lived in Arlington County (Fairlington) for the past ten years.

During his tenure in Washington, Bernal contributed heavily to the work of ERS as a member of the award winning Policy Impacts Team and as an Equal Employment Opportunity Officer.

Thanks, and the best of luck, Bernal!

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AGRICULTURAL LABOR SECTION

Researchers Beware

"Agricultural Labor Data Sources: An Update," Agricultural Handbook No. 658 was released in August. This report by Stan G. Daberkow (Natural Resource Economics Division) and Leslie A. Whitener describes and compares 20 sources

of data that include information on some aspect of agricultural employment, agricultural labor expenditures, wages, or hours worked. These sources comprise the major data series that provide information for analyzing agricultural labor, farm labor policies and legislation, and examining the economic well-being of hired farmworkers.

Agricultural employment data originate from three major sources; households which supply workers, establishments that employ workers, and agencies that administer employment-related programs. Household data from the Decennial Census of Population or the Current Population Survey provide detailed information on demographic, economic, and employment characteristics of agricultural workers and members of their households. Establishment or employer data, such as that from the Census of Agriculture or USDA's Farm Labor Survey, include statistics on characteristics of the job or the farm. Data from administrative records of government employment-related programs, such as unemployment insurance or social security programs are generally obtained from employers. The universe from which these data are collected is limited to the scope of the individual programs.

The report points out that agricultural labor data in one source are generally not comparable with data in other sources and that users should be aware of the differences when they select the most appropriate data for analyses. Agricultural employment numbers and estimates of farm labor expenditures vary among the data sources reviewed in this report due to differences in survey methods, definitions, data collection procedures, and the place of data collection. An examination of the methods used to collect the information can provide a general explanation of some of the variation in estimates among different data sources.

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Farm Labor Trends

Robert Coltrane presented a paper "Hired Farm Labor: Trends, Patterns, and Policy" at the American Agricultural Economics Association's (AAEA) meeting in Reno. The highlights of the paper are:

- o Total labor input in farming in the 1980's continues its long-term decline.
- o The farm family still provides about two-thirds of farm labor, but this proportion is gradually declining.
- o The rate at which hired labor increased in share of total farm labor in the first half of the 1980's is less than the rate of increase in the 1970's.
- o In real terms, the level of the total farm sector expenditures for labor was relatively stable between 1974 and 1982, but large commercial farms had a significant increase in real labor expenditures.
- o Less than half of all farms use hired labor, and those farms employing workers are highly concentrated by state and size and type of farm.

- o Farm labor issues are addressed in several government programs, but usually not in farm programs. This is because it has been assumed in farm policy that labor usually is available and that labor costs are not a major issue on those farms at the central focus of farm legislation dealing with production levels and prices. However, large cash grain and cotton farms had significant increases in hired labor expenditures between 1975 and 1982. Hence, farm programs affecting production levels of grains and cotton may have a significant impact on the employment and income of hired farmworkers.

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Speaking About Data Collection

Victor Oliveria spoke on "Measuring the U.S. Agricultural Work Force" at a seminar on "Manpower Projections and Analysis for Planning and Development." The seminar held in September, was sponsored by the Department of Labor. It was attended by statisticians from developing countries. These statisticians are studying U.S. data collection programs for the purpose of improving their knowledge of the types and sources of employment-related data available for planning purposes and to develop their skills in data collection and analysis.

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FARM FAMILY INCOME SECTION

Cornbelt Farmers

Robert Munoz and The Ohio State University are cooperating in a longitudinal survey in Ohio. Munoz will relocate to Columbus, Ohio in December and will be co-project leader with Dr. Lynn Forster in the Department of Agricultural Economics and Rural Sociology. The project will be a panel design, longitudinal survey of farm households in the cornbelt region of Ohio. Objectives of the project are to examine the changes that occur in the structure of farming; the impact this changing structure has on farm households; and, to identify factors which explain the changing farm environment and its impact on farm households.

Questions the research will address are: why do some farms fail and others prosper; what happens to the farm family after they go out of farming; what happens to the farm resources left behind; what changes over the next five years are going to have the most impact on farm families; and, are farm programs working as intended, or are changes needed?

* * *

Family Farm Viability

Priscilla Salant, Melinda Smale, and William Saupe (University of Wisconsin researchers) have a new Rural Development Research Report No. 60, entitled "Farm Viability: Results of the USDA Family Farm Surveys." The authors found that more than 30 percent of farm households in the Mississippi-Tennessee Sand-Clay Hills in 1980 and in southwestern Wisconsin in 1982 had insufficient

income to cover minimum family living expenses, cash farm operating costs, capital replacement, and principal payments on debt.

Options to ease financial stress include economic development efforts to increase nonfarm job opportunities, educational efforts directed towards increased farm profitability, and programs that make more credit available or more existing credit less expensive for some farmers.

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FARM STRUCTURE SECTION

German Agriculture

Dr. Hans Windhorst and Dr. Warner Ulohn of the University of Osnabruck in West Germany are conducting a research project on structural change in German agriculture. They visited with Donn Reimund and Paul Velde in September to discuss changes in the structure of U.S. agriculture. They are studying U.S. agriculture with the premise that German agriculture is in the early stages of the same type of structural change that has been occurring in the United States over the past 20 to 25 years. Their interests were in the growth of large farms and industrialization in the livestock, poultry, and vegetable sectors, and in regional large-scale farming.

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FINANCE AND TAX BRANCH

View from the Branch by Ron Meekhof

Since this will be my last opportunity to express my view as chief of the Finance and Tax Branch, I will cover some issues that otherwise would not be reported. My first direct contact with ERS was through the job market at the ASSA 1975 meetings where I was interviewed by John Lee and Bill Manley (Division Directors at the time) and subsequently by J. B. Penn. I left those interviews feeling that ERS provides a unique opportunity to provide information and analysis that has a direct bearing on the public and private decision making process influencing the food and agricultural sector. This is what motivated me. ERS was the only prospective employer, from a slim list, that I seriously considered. Luckily, I was offered a position.

In the next 10 years I was afforded opportunities which were extremely fortunate. First, I have worked with top-ranked professionals in their field. Second, I have worked with a first-class group of people, many of whom I would like to count as friends. Carrying out the responsibilities of the various jobs I have had in the agency has always provided an interesting challenge to me.

A New Opportunity

Ron Meekhof is leaving ERS to join the Economic Analysis Staff in Assistant Secretary Robert Thompson's Office. Ron came to ERS in 1976 after earning a Ph.D. in agricultural economics at Michigan State University. His first assignment was in the Agricultural Policy Analysis program area. After three years, which included a brief tour of duty at Purdue University, he took the opportunity to examine the international dimensions of agriculture by leading the International Commodity Policy Section, Trade Policy Branch in IED. In 1980, Ron became Chief of the Inputs and Finance Tax Branch which subsequently evolved into the current Finance and Tax Branch. The past 6 years have provided Ron with numerous challenges in keeping abreast of the financial stress in agriculture and its consequences for farmers, agricultural lenders, and credit policy. Major changes in tax law and recent tax reform have also offered opportunities to Ron and his staff for providing economic analysis of key issues facing agriculture.



At the Economic Analysis Staff, Ron will provide policy analysis and advise the Assistant Secretary on issues related to agricultural and rural finance.

When asked what he views as being the future critical issues, Ron listed the following: the consequences of agricultural stress for the quality of life in farm dependent rural communities; alternative means for targeting financial assistance to troubled farms in the context of reduced farm price and income support programs; the financial performance of agricultural banks and the Farm Credit System, options for assistance, and consequences for farming of structural change in rural financial markets; and the timing and extent to which tax reform will affect resource use, income distribution, and the structure of agriculture. He sees much of the legislation and policy debate over the next year or two revolving around these issues.

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AGRICULTURAL FINANCE SECTION

Farm Foreclosures

Jerry Stam and Jim Ryan (National Economics Division) recently completed a briefing memorandum on the rates of farm failure and farm foreclosure. In normal years, 3 to 4 percent of all farm operators cease farming for a variety of financial and personal reasons. In periods of economic stress, farm exits due to financial reasons increase. But the number of farmers who are forced to take voluntary actions to cease operating is problematic. There are not exact national numbers of the rates of farm failure and farm foreclosure. Stam and Ryan feel the farm exit rate is now 5 to 6 percent annually, with financial failure accounting for about one-half. They examined several national and regional sources to gain insights on this issue.

The American Bankers Association national mid-year farm credit survey estimated that 4.8 percent of farmers went out of business during the year ending in June 1985. Farm borrowers whom banks anticipated discontinuing during the year ending in June 1986 totaled 5.7 percent of their total farm portfolio.

A review of results from surveys conducted last January by a number of State Departments of Agriculture suggests that there will not be an unusually large exodus from farming in 1986. A total of 5.1 percent of the farm operators in a nine-state midwest survey area were not planning to operate in 1986. The percentage departing farming ranged from 3 percent in North Dakota to 6.4 percent in Nebraska. These results may be conservative because of sample design and the generally optimistic attitude of farmers. Financial problems were not identified as the main reason for expecting to cease operation in 1986. Six percent of Missouri farmers plan to leave farming in 1986, but health, retirement, and other personal reasons, and not financial difficulties, were identified as the major forces in deciding to quit. In Ohio, 5 percent of Ohio farm operations with sales between \$40,000 and \$100,000 plan to quit, 3 percent for financial reasons.

Current loan delinquency problems do affect the length of time operators expect to continue farming. In response to the question "If current trends in income and expenses continue, how long will you be able to farm?" About 11 percent of North Dakota farmers felt they could not make it past 1987. Almost 61 percent of these are delinquent on loan payments. Of the 38 percent responding that they could farm for 2-5 years, 9 percent are delinquent; of the 8 percent expecting to last 6-10 years, 9 percent are delinquent; and of the 43 percent of North Dakota farmers feeling that they could operate until retirement, less than 3 percent are currently delinquent.

Lack of adequate off-farm employment opportunities may be contributing to operators remaining in farming. Almost 25 percent of Nebraska operators' income is from non-farm sources (largely financial assets), and 82 percent believe that adequate off-farm income opportunities do not exist in their local areas. Of Michigan farmers who expect to quit within the next two years, one-half were uncertain as to their future, and sixty-three percent expressed the need for some form of personal, job, or education assistance.

Farmers appear to be intent on remaining in farming in spite of any current financial problems. The incidence of leaving farming varies widely within states depending on geographic area, farm type, sales volume, and age of operator. Variation is less evident between states. Current loan delinquency problems may have improved slightly, but apparently not enough to increase expectations of continuing operations. Farmers with current financial problems are weary of a continuation of present trends in income and expenses.

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FINANCIAL MARKETS SECTION

In the Limelight!

Rural bank research completed over the last year has attracted some media attention recently. Greg Gajewski's "Rural Bank Failures Not a Big Program--So Far," in the June issue of Rural Development Perspectives was summarized on the AP wire, on the NBC Nightly News, and was reprinted by the American Banker. Greg was also interviewed for a news segment on KELO-TV in Sioux Falls, South Dakota. A brief update on rural bank failure statistics was reported in the September issue of Agricultural Outlook. Work published by Greg, Jim Mikesell, Dan Milkove, and Pat Sullivan was the basis for Ellen Banker's August Farmline article "How Healthy Are Rural Banks." Jim Mikesell was also interviewed about the health of rural banks and their role in rural communities for the USDA's "Down to Earth" television show. The show aired on WRC-TV, and a shorter version was distributed by satellite news service.

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Bank Closures

Greg Gajewski will present "Agricultural Lending and Bank Closures in the First Half of 1986": A Logit Regression Model" at the annual meeting of the NC-161 Regional Research Project in St. Paul. His paper, which will be published in the NC-161 Proceedings, develops and estimates a probability of bank closure model. Measures of bank capital, profitability, management strategy, loan quality, local economic characteristics, and variables reflecting regulators' concerns were all found to be important determinants of closure probability. The empirical results also show that banks choosing to specialize in farm finance have higher probability of closure, other things being equal. While banks in farm- and mining-dependent counties face an elevated probability of closure, these banks can reduce their probability of closure by not specializing in agricultural lending and by limiting their credit risk exposure in other ways.

* * *

Income Inequality

Robert Lerman (Brandeis University) and Don Lerman presented "How Do Individual Income Sources Contribute to U.S. Income Inequality" at the Atlantic Economic Society conference in Boston. Based on a sample of households drawn from the 1983 Survey of Consumer Finances, the authors examined the contribution of nine components of income to pretax U.S. income inequality. The paper concludes that non-housing property income and self-employment income contribute to income inequality, while wages of the family head and transfer and retirement income reduce inequality. Imputed income from owner-occupied housing, spouse wages, and gift income are essentially neutral in that none have a significant marginal effect on U.S. income inequality.

* * *

Capital Formation

Pat Sullivan participated in the 1986 Government-Business Forum on Small Business Capital Formation, sponsored by the Securities and Exchange Commission. The forum brings together government and private sector representatives to develop recommendations for the SEC, congressional committees, and governmental agencies on ways to increase small business access to capital. This year's forum, held September 25-27 in Washington, DC., was concerned with SEC regulations, the liability insurance crisis, the availability of financial services, and payroll deduction and pension regulations. Final recommendations will be developed over the next few weeks.

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TAX ANALYSIS SECTION

Tax Reform Impact

Cliff Rossi and **Ron Jeremias** recently completed a paper, "Assessing the Impact of Tax Reform on Agricultural Land Values." The paper develops a bid price model for land and examines the effects of tax reform under different assumptions regarding the financing of land purchases. Overall, they conclude that tax reform will have minimal effects on land values, but they showed some examples where land prices rose as a result of tax reform.

* * *

Tax Reform Could Delay Capital Spending For Small Cities

Two little-known provisions of the federal tax reform legislation could create major problems for small cities.

One provision would continue to allow local banks to deduct the cost of carrying local governments debt only if it is reasonably expected that the community intends to issue no more than \$10 million in public purpose debt in a given year. This restriction could significantly increase borrowing cost for affected communities. Small rural communities might be affected more than large cities, because they tend to rely more on local banks to purchase their debts.

The other provision would change the legal distinction between public and private purchase debt. Currently, a facility is defined "public purpose"--hence qualifies automatically for tax exempt financing--if no more than 25 percent of the facility's service goes to any one private entity. The new provision reduces the cut off between public and private purpose to 10 percent. Small communities could be particularly affected because a single large plant can use a relatively large percentage of the community's public services.

As tentatively agreed upon by the House and Senate conferees, these provisions could have immediate impact on the capital spending of rural governments because they go into effect retroactively, beginning August 7, 1986.

Production Costs

Cliff Rossi presented a paper at the 1986 AAEA meetings entitled "Assessing the Impact of Energy Taxes on U.S. Agriculture." During a time of declining petroleum prices, Congress had expressed some interest in enacting some form of energy tax. Declines in energy prices result in gains for agricultural producers. Results from a simulation model show that an energy tax which recoups those windfall gains would have significant impacts on production costs relative to net farm income.

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HUMAN RESOURCES BRANCH

View From the Branch by Max Jordan

In FY 1986, the goal of improving our research planning process in the Human Resources Branch was diligently pursued for the new work proposed and undertaken. This planning process will continue.

In FY 1987, we have a new goal of shortening the publication process. The publication of RDRR 58, "Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970-1980", in September 1986, culminated a long period of frustration and interruptions in publication channels. Moves and personnel changes account for some part of the 16 months (from acceptance by Information Division to final editing) for publication of RDRR 58. The average for RDRRs across ARED is now about 10 months. With help from the Information Division, the Human Resources Branch has established a logging procedure to note when authors and other ARED personnel are involved in the various stages of the publication process. We expect that this procedure, together with regular in-house follow-up effort, will help to move the Branch manuscripts through the system more expeditiously. We would be happy to share the details of our system with other Branches who may wish to monitor their manuscripts in a similar manner.

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INCOME AND WELL-BEING SECTION

Limited Nonfarm Opportunity

Social and Economic Environment of Black Farmers by Robert A. Hoppe, Herman Bluestone, and Virginia Getz, was released in August 1986. The report found that black farmers tend to live in slower growing southern counties where nonfarm employment opportunities are limited. Those counties have grown slowly when compared with southern metro areas. The counties where black farmers live also contain about two-thirds of all nonmetro southern blacks.

Blacks face severe economic and social conditions in these counties. They have a higher incidence of poverty, much less education, and higher unemployment than other blacks in the South. However, growth and socioeconomic conditions vary considerably among the counties. Blacks in the delta crop region were particularly disadvantaged, with a higher poverty rate, higher unemployment, and lower educational levels than blacks in the other areas.

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Income Inequality

Linda Ghelfi presented a poster entitled "Income Inequality in Low-Income Nonmetro Areas: An Exploratory Analysis" at the Rural Sociological Society Annual Meetings in Salt Lake City.

The three low-income areas analyzed are in Arizona, Texas, and Utah. Analysis of household income using the Automatic Interaction Detector (AID) showed that older householders with professional/managerial jobs had the highest ratios of household income to the poverty threshold. Splits producing lower income ratio groups isolated younger householders without high school education, working less than full-year, and having no other household members working. Households of Spanish origin had lower income ratios than non-Spanish households in the Texas area.

The householder working full-year, full-time appears to be the most powerful predictor of household income adequacy. Reasons for working less than a full-year were not ascertained from the Census data used.

* * *

Southern Black Poverty Rates

"Poverty Among Black Families in the Nonmetro South," RDRR No. 62, was published in August. The author, Linda Ghelfi, found that black families in the nonmetro South have poverty rates which rival those in many central cities. About 35 percent of all black families and 56 percent of black female householder families in the nonmetro south were poor in 1979. Although poverty is much more prevalent among black families, low levels of education, youth or old age, work disabilities, and employment in low-wage jobs are factors related to poverty among black and white families. Additional education, work-related training, increased child support for preschool children of single parents, and increased child support from absent parents are possible ways to decrease the incidence of poverty among black families in the nonmetro South.

* * *

Rural Social Workers

Elizabeth Morrissey and Robert Hoppe attended the 11th National Institute on Social Work in Rural Areas, held at James Madison University in Harrisonburg, Virginia from July 21-23. Liz presented a paper entitled "The Nonmetro Working Poor--Who Are They?" which found that the nonmetro working poor are more

likely to live in the south, work fewer weeks per year and be in agricultural and service occupations than nonpoor workers.

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POPULATION SECTION

Representing the Elderly

Nina Glasgow has been asked by the Gerontological Society of America to serve on a task force on data in aging. The task force makes recommendations on items to be included in various federal data sets and publishes reports on data access and availability.

In September, Nina was appointed ERS's subject matter specialist on the Forum on Aging-Related Statistics. The Forum is a federal interagency committee established to encourage cooperation among federal agencies in the development, collection, analysis, and dissemination of data on the aging population.

* * *

Farm Population Profile

"Farm Population of the United States: 1985," Current Population Reports, Series P-27, No. 59, was released in July by the Census Bureau and ERS.

Judith Kalbacher and **Diana DeAre** (Census) prepared this report, which presents current demographic and economic trends in population living on rural farms. Significant findings were:

- o Approximately 5.4 million people lived on farms in 1985, down significantly from 5.8 million in 1984. The 1985 level represents 2.2 percent of the nation's total population, or about 1 of every 45 persons.
- o The southern and western regions of the country account for most of the population loss since 1984. The farm population remained stable in the northeast and midwest.
- o The midwest maintained the largest share of farm residents, with 49 percent of the total in 1985. The south ranked second with 32 percent, followed by the west with 14 percent and the northeast with 6 percent.
- o The number of black farm residents fell from 229,000 in 1981 to 120,000 in 1985. The farm population had proportionately more whites than the nonfarm population in 1985 (97 percent versus 85 percent) and fewer blacks (2 percent versus 12 percent).
- o The farm population had 108 males per 100 females, compared with the nonfarm population's 93 males per 100 females. Farm residents' median age of 36.5 years exceeded the 31.4 years for nonfarm residents.

- o Only 3.1 percent of the farm resident labor force was unemployed in 1985, compared with 7.4 percent of the nonfarm labor force. Although employed farm residents overall were about equally divided between agricultural and nonagricultural jobs, 61 percent of farm men worked in agriculture while 71 percent of farm women held nonagricultural jobs.

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RURAL LABOR MARKETS SECTION

Research Proposals for Labor Markets

by Molly Killian

Our section's Rural Labor Markets Performance Project held a seminar in September to report on initial analyses of the recently constructed labor market areas and to present ideas for future research.

The objectives of the project are: 1) examine and describe the economic, demographic and social characteristics of local labor markets, and 2) evaluate the effects of local labor market characteristics on the employment patterns and earnings profiles of local residents.

In order to meet these objectives, a three-level hierarchical data file is being created. The first two levels in this hierarchical file contain individual and household data from the public use micro sample of the 1980 census of the population. The third level in the file contains characteristics of the local labor market area in which these individuals live and work.

Following this overview of the rural labor markets performance project, the three project researchers reported on their own work and how it fits in with the project objectives. Molly Killian discussed her work on classifying rural labor markets and on measuring the amount of diversity of specialization in local industrial structures. Her future research plans include estimating a structural model of the effects of industrial diversity on the general well-being of local labor markets, and an investigation of changes in industrial diversity over time.

Shelley Pendleton presented her approach to studying underemployment and unemployment in local labor markets. Shelley began with a structural analysis of the effects of the local industrial structure on unemployment rates. She intends to examine these effects on the labor force status of individuals. She also proposed a longitudinal analysis of how local unemployment rates respond to business cycles and other secular trends.

Len Bloomquist talked about his plans for studying occupational concentration and earnings inequalities in local labor markets. Len's research will contain two pieces of analysis. The first analysis will focus on the effect of the local industrial structure and the composition of the local labor force on the occupational concentration of men and women. The second part of his research will examine how this occupational concentration creates wage inequities between men and women.

* * *

NATIONAL ECONOMY AND HISTORY BRANCH

View from the Branch

by Tom Hady

Autumn's here and the branch has changed. Not just the color of the leaves, though--we've done some grafting. Effective September 28, the Aggregate Analysis and Macroeconomics Branch and the Agricultural and Rural History Branch merged. The new name is the National Economy and History Branch (NEH). We have three sections: National Aggregate Analysis, headed by **Gerald Schluter**; Macroeconomics, now vacant; and Agricultural and Rural History, headed by **Doug Bowers**. I enjoy history, and I'm looking forward to having more association with it. Moreover, I think there is an interesting challenge here. We should relate our historical and our current research more closely, to bring the perspective of history to our conclusions about current problems. Therein lies a challenge.

Another piece of news announced last month will make integrating our program even more of a challenge. Sometime in the next couple of months, we will lose our space on the 12th floor, and after the move the branch will be on the fourth floor (History), eighth floor (NAA), and eleventh floor (Macro and branch office).

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AGRICULTURAL AND RURAL HISTORY SECTION

A History of Experiment Stations

On March 2, 1887, the Hatch Act was signed into law appropriating annual federal funds to each state land-grant college to support an agricultural experiment station to pursue research into the problems of agriculture. As part of the centennial observance of that act, the University of Missouri Agricultural Experiment Station will publish The Legacy: A Centennial History of the State Agricultural Experiment Station System authored by **Norwood Allen Kerr**.

The study traces the development of the state experiment station system over the past century, focusing on the evolution of administrative policies and procedures between the state stations and their partners within the USDA. How the stations organized research programs to respond to the needs of farmers and consumers is the unifying theme of the book. Almost exclusively concerned with advancing the productive efficiency of farmers in the early years, new concerns were added to the research agenda as the methods of science and the expectations of clients grew more sophisticated. Agricultural marketing and economics joined production investigations in the 1920's and 30's while in more recent times rural development, resource conservation, and environmental protection research gained increased attention.

Changing economic, social, and political situations prompted a century of adjustments on the part of the public agricultural research system, but its mission to provide the knowledge necessary to meet the food and fiber needs of an ever expanding population while addressing the complex problems of economic and social welfare remained constant. By creating a structure for a system of federated yet independent research institutions to solve the location-specific problems of farmers and to build a core of basic scientific knowledge related to agriculture, the Hatch Act was a unique American response to the goal of harnessing science to agricultural process.

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MACROECONOMICS SECTION

Chase is Pessimistic

Ralph Monaco and Jim Malley attended a recent Chase Economic Outlook Forum. The main topics covered at the meeting were the short/long-term U.S. macroeconomic outlook, the federal budget deficit, the trade deficit, and tax reform. In the final analysis Chase seems to be quite pessimistic on the prospects of faster GNP growth, smaller federal budget and trade deficits, and the ability of tax reform to salvage a stagnant economy.

* * *

Overshooting and Undershooting

A paper by John Kitchen and Mark Denbaly, "Money Surprises, Commodity Prices, and Fed Credibility: A Comment on Overshooting vs. Undershooting," has been accepted for publication by the Journal of Money, Credit, and Banking. The comment begins with a review of the concepts of overshooting and undershooting in the theoretical literature. Based on the various theoretical definitions, the implied response of commodity price dynamics to money announcement shocks is empirically examined. The interpretation made is that a moving equilibrium is affected by money shocks and that overshooting of spot commodity prices occurs relative to the commodity prices's moving equilibrium. The interest rate, however, can overshoot or undershoot its moving equilibrium depending on policy relationships. The expansionary monetary policy of the late 1970's led to undershooting of the interest rate because of the slowly adjusting inflation expectations, while the tight monetary policy of the early 1980's led to overshooting of the interest rate as a result of an excessive response to the real interest rate.

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NATIONAL AGGREGATE ANALYSIS SECTION

Agricultural Trade

William Edmondson and Gerald Schluter submitted an article to be included in the September/October 1986 Foreign Agricultural Trade of the United States magazine. The article is an update of an article that appeared last year. In addition to providing the latest (1985) estimates of employment, output and

value-added due to exports, the new estimates reflect a small change in estimating procedure because of the U.S. Department of Commerce's switch from 1972 base year national income and products accounts to a 1982 base.

In 1985, 837,000 workers owed their jobs to direct agricultural exports. The United States exported \$29.0 billion worth of agricultural products in supporting business activities, 84 percent of which accrued to non-farm sectors of the economy. Imports grew in 1985 to \$20 billion, \$13.1 billion of which were competitive imports. The U.S. spent \$19.3 billion on imports in 1984, \$12.6 billion of which were competitive imports.

* * *

Food and Fiber System

William Edmondson completed the 1985 food and fiber system estimates for inclusion in the Economic Indicators of the Farm Sector: Farm Sector Review, 1985 to be published by National Economics Division. In 1985, the food and fiber system generated \$700.8 billion (17.5 percent of the total GNP) and provided jobs for 21.4 million workers (18.5 percent of the total civilian workforce). Chinkook Lee, Gerald Schluter, William Edmondson, and Darryl Wills are incorporating 1985 estimates and revisions in prior years into the pending agricultural economics report, "measuring the size of the food and fiber system."

* * *

RURAL BUSINESS AND GOVERNMENT BRANCH

View from the Branch by Norm Reid

It has been clear for some time that rural America is in the midst of a major transformation. One dimension of that change is institutional and results from the major reduction in federal aid to state and local governments that began in the late 70's. While it has been clear for more than half a decade that this shift could mean major changes in who wins and loses from federal policies, empirical evidence about the precise effects of these policy shifts is only now starting to come in. One bit is provided by an analysis of federal spending trends by Bill Fox (University of Tennessee) and me that documents the turnaround in federal support for local developmental efforts. Among our findings are these:

- o Relative to urban areas rural counties did not benefit as much as we had thought from the growth in aid during the 70's, but on the other hand they did not lose as much in the 80's as we suspected they might. That said, the funding cuts have been major and will have a big impact on rural development.

- o Federal development funding has never been highly targeted toward lower income counties, but some modest targeting was evident in the early 70's. In the scramble to protect their funding base as the federal budget was slashed in the late 70's and 80's, the poorest places were losers, and no evidence of income targeting can be found in recent years.

Monitoring the effects of institutional change on rural America is one of our priorities. We've got some other projects looking at this issue as well, and as results become available they'll be reported here.

* * *

OECD is Now in Phase II

The Organization for Economic Cooperation and Development's (OECD) Rural Public Management Project is now in Phase II, focusing on rural development policy formulation process. ARED staff and the Extension Service are cooperating on the project. As part of the U.S. contribution to Phase II, Dick Long, Norm Reid, and Ken Deavers completed a preliminary report, "The Rural Policy Formulation Process in the United States," that describes the institutional environment for policymaking, the actors in the process, and relates these to policy outputs in recent years. The report, together with case studies of rural development projects under the direction of the Extension Service, will be combined with similar contributions from other OECD member countries and used by OECD as the basis for a comparative analysis of rural development policymaking. Dick Long is on a two-month detail to OECD-Paris to assist in drafting that analysis. The draft report will be available for review in the Spring of 1987.

Also, Rural Public Management, by Norman Reid, was recently published by OECD. The book summarizes the results of Phase I of the OECD project, which compared economic development and social trends in OECD countries and considered economic development strategies to address rural development needs.

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RURAL BUSINESS AND INDUSTRY SECTION

Using Typologies

by Herman Bluestone

Three researchers at the Federal Reserve Bank of Kansas City have written an article on economic changes in rural America, using a typology based on the one developed in ARED's policy project. These typologies were published in The Diverse Social and Economic Structure of Nonmetropolitan America, Rural Development Report, Number 49, in September 1985. The authors of the article, which appeared in the July/August 1986 issue of the Bank's Economic Review, were Mark Henry, Mark Drabenstott and Lynn Gibson. On the basis of the analysis, the authors conclude that the problems facing rural America are not cyclical, but long term, and not confined to the farm sector, but also include the manufacturing and energy sectors. Thus, the challenge facing policymakers will be to craft policy that addresses the full range of needed industrial restructuring in rural areas.

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STATE AND LOCAL GOVERNMENT SECTION

Ending An ERS Career

Tom Stinson ended his career with ERS on October 12, 1986, 21 years to the day after joining the agency. Tom is one of the final members of the field staff to leave ERS as the result of phasing out of field operations.



The first person hired to join the newly created Economic Development Division in 1965, Tom has spent his entire career with the federal government in the State and Local Government Section. For the last 17 years he has been headquartered at the University of Minnesota, St. Paul. He has served as a consultant to the state government in Minnesota on many occasions.

Tom has been involved in many major ERS studies, including the Northern Great Plains Energy Impact Study, analysis of data from the National Rural Community Facilities Assessment Study, research he pioneered on comparative levels of local government services--county poverty measures, and, most recently, describing the impact of the farm crisis on rural local governments in agricultural dependent areas for the Senate Intergovernmental Relations Committee.

His most vivid feeling about the Division, he said, is his great respect for the talents of many of his colleagues. Tom recalled the excitement and intellectual stimulation he felt joining the agency in the mid-1960's and working with many bright and committed researchers.

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Rural Fire Protection

Thomas Stinson completed an ERS Staff Report, Rural Fire Protection Facilities: Results from the National Rural Community Facilities Assessment Study. The report presents data on fire protection facilities serving rural communities based on a nationwide sample survey of the availability and condition of essential public facilities in rural America. The data are reported for the United States, census regions, and by community size and incorporation status. A limited number of copies are available from Norman Reid. The data in the report are also available on diskette as an ERS Standard Data Product.

* * *

BEST OF LUCK TO DEPARTING EMPLOYEES

- o Denise Beach returned to college following her summer employment with Rural Business and Government Branch. Denise is a sophomore at the University of Maryland, where she is a pre-med major.
- o Elizabeth Duncan resigned her secretarial position in the Finance and Tax Branch on September 26 to return to the private sector.
- o Cheryl Ford, Secretary to the Chief, Rural Business and Government Branch, resigned from her position in July to return to Hampton, Virginia.
- o Ron Meekhof, Chief, Finance and Tax Branch, transferred to the Office of the Assistant Secretary for Economics on October 13 to become a staff economist.
- o Richard Nolan, economist, resigned from the Agricultural and Community Linkages Section, Farm and Rural Economy Branch in August. Rich is now attending the University of Michigan and is enrolled in their Masters of Business Administration program.
- o Thomas Stinson, economist, resigned from the State and Local Government Section, Rural Business and Government Branch in October. Tom was stationed at the University of Minnesota.
- o Cindy Waite, secretary, National Aggregate Analysis Section, National Economy and History Branch, resigned in September.
- o Frank Zahn, economist, Leader of the Macroeconomic Section, National Economy and History Branch, resigned in August to resume his teaching position at the University of Nebraska - Omaha.

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ARED WELCOMES NEW EMPLOYEES

- o Ron Babula joined the Finance and Tax Branch on September 15, 1986. He recently completed requirements for a Ph.D. in agricultural economics from Texas A&M University, where he studied under John B. Penson, Jr., and specialized in agricultural finance. His dissertation is entitled "Development of a Multi-Region, Multi-Crop International Trade Sector: An Armington Approach within a Macroeconomic Context." Ron has an M.S. in agricultural economics from Florida State University. Previous employment includes positions as a Research Associate with the Federal Reserve Bank of Kansas City's Research Department, Projects Coordinator with Ceres International Corporation (Cyprus), Senior Economic Analyst for the Florida Department of Banking and Finance, and Research Associate with Texas A&M University's Department of Agricultural Economics.

- o **Lisa Nanches**, secretary, joined the Rural Development Perspectives staff in September. Lisa previously worked at Andrews Air Force Base. While there, she used her skills on the Wang setting up a roster for all Air Force audit bases throughout the United States. Aspiring to become an attorney, she presently attends George Washington University.
- o **Scott Sanford**, agricultural economist, joined the Income and Well-Being Section, Human Resources Branch in September. Scott has a B.A. in political science from the University of Mississippi, an M.S. from Mississippi State University in agricultural economics, and a Ph.D. in agricultural economics from Oklahoma State University. His dissertation was "Farm Income Enhancement Opportunities from Small, Part-time, Limited-Resource Farming Operations in East Central Oklahoma."

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PERFORMANCE AWARDS PRESENTED

Congratulations to:

- * The Agricultural Economics Documentation Staff in the Reference Center--**Bill Glynn, Jameszetta Carter, and Joan Carabell**--who received cash awards and certificates of appreciation for their work in bringing the agricultural economics literature part of AGRICOLA up to date. The project was turned over to NAL on October 1; NAL will continue indexing literature but will not provide abstracts. The Documentation Staff added far more records to the system over the past year than in previous years.
- * **Robert A. Hoppe** received a certificate of merit "for special achievement in assuming responsibility for and completing additional research on rural poverty, blacks in agriculture, and related policy issues."

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RECENT PUBLICATIONS:

- o "Farm Viability: Results of the USDA Family Farm Surveys," by Priscilla Salant, Melinda Smale, and William Saupe, ERS, ARED, RDRR No. 60, July 1986.
- o "Foreign Competition and Its Regional Effects on U.S. Manufacturing Employment, 1975 to 1982," by **Richard Nolan**, ERS Staff Report No. AGES860731, ARED, August 1986.
- o "Rural Fire Protection Facilities: Results from the National Rural Community Facilities Assessment Study," by **Thomas F. Stinson**, ARED, ERS Staff Report No. AGES860729, August 1986.
- o "Agricultural Labor Data Sources; An Update," Stan G. Daberkow and **Leslie A. Whitener**, Agr. Handbook No. 658, ARED, August 1986.

- o "Financial Well-Being of Farm Operators and Their Households," by Mary Ahearn, ERS, AER No. 563, September 1986.
- o "Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970-80," by David A. McGranahan, John C. Hession, Fred K. Hines, and Max F. Jordan, ERS, ARED, RDRR No. 58, September 1986.
- o "Farm Population of the United States, 1985", Farm Population Series, Current Population Reports, P-27, No. 59, ARED, September 1986.
- o "Poverty Among Black Families in the Nonmetro South," by Linda M. Ghelfi, Rural Development Research Report No. 62, ARED, September 1986.
- o Special tabulations from the 1979 Farm Finance Survey were used by Linda Ghelfi and William Saupe in writing "Policy Implications of the Economics of Farm Family Poverty in the United States." The article is scheduled for publication in the November issue of Policy Studies Review.

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How to Purchase Reports

ARED does not have copies of publications available for free distribution. Please contact the authors for information on how to order these publications or follow these instructions:

- o GPO reports and periodicals: For price and ordering instructions write Superintendent of Documents, Government Printing Office, Washington, DC 20402; or call GPO order desk at (202) 783-3238.
- o NTIS Reports: For price and ordering instructions write Identification Section, National Technical Information Service, 5825 Port Royal Road, Springfield, VA 22161, or call at (703) 487-4780.

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Names, Topics, and Telephone Numbers

In order of their appearance in this Newsletter:

AREA CODE:
(202)

Vera Banks, Black Caucus	786-1534
Mary Ahearn, Farm Finances	786-1807
David Brown, Congressional Testimony	786-1530
Fred Hines, Southern Economy	786-1525
Leslie Whitener, Agriculture Labor	786-1540
Robert Coltrane, Farm Labor	786-1932
Rob Munoz, Farm Income	786-1527

Jerome Stam, Farm Failures	786-1886
Don Lerman, Farm Housing	786-1883
Greg Gajewski, Bank Failures	786-1884
Ron Durst, Tax Analysis	786-1889
Judy Kalbacher, Farm Population.....	786-1534
Molly Killian, Rural Labor	786-1540
Norwood Kerr, Experiment Stations	786-1896
John Kitchen, Macroeconomics	786-1281
Gerald Schluter, Food and Fiber	786-1285
Norm Reid, OECD	786-1542
Herman Bluestone, Typology	786-1547

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Special thanks to:

The Assistant Editor of the ARED Newsletter, **Gwen Coleman**, for her excellent typing.

Also, an overdue, but very special thanks to:

Personnel of the Economics Management Staff, Information Division, who have contributed to the timely completion of the ARED Newsletter through the last ten issues. They are: **Carolyn Riley** (photography and formatting), **Michael Hunter** (photography and the Newsletter header), **Susan DeGeorge** (artwork), and **Richard Truesdale** (printing).

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Contact the Editor:

The ARED Newsletter is published quarterly (January, April, July, and October) and is distributed free of charge to USDA personnel, ARED retirees, and other colleagues interested in agricultural and rural economics issues.

If you need to alter an address or add an address, or submit news items or comments, please contact the editor: **PAUL R. MYERS**, (202) 786-1549, Room 328C, ARED/ERS/USDA, 1301 New York Avenue, NW, Washington, DC 20005-4788.

Copy for our Winter ARED Newsletter is due January 9, 1987.

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